

UNITED STATES BANKRUPTCY COURT

District of New Jersey
MLK Jr Federal Building
50 Walnut Street
Newark, NJ 07102

Case No.: 07-12947-RG
Chapter: 7
Judge: Rosemary Gambardella

In Re: Debtor(s) (name(s) used by the debtor(s) in the last 8 years, including married, maiden, trade, and address):

Headliners Entertainment Group Inc.
1 Exchange Place
Suite 1000
Jersey City, NJ 07302

Social Security No.:

Employer's Tax I.D. No.:
84-1195628

NOTICE OF PROPOSED SETTLEMENT OF CONTROVERSY

Catherine E. Youngman, Trustee in the above captioned case, proposes to settle an action, the nature of which is described below.

If any creditor or other party in interest has an objection to the settlement, the objection and a request for a hearing on such objection shall be in writing, served upon the person named below and filed with the Clerk of the United States Bankruptcy Court.

Such objection and request shall be filed with the Clerk and served upon the person named below no later than October 15, 2009.

In the event an objection is timely filed a hearing thereon will be held before the Honorable Rosemary Gambardella on:

DATE: 11/2/09
TIME: 10:00 AM
COURTROOM: 3E

If no objection is filed with the Clerk and served upon the person named below on or before October 15, 2009, the settlement will be consummated as proposed on or after the fifth day following the last day to file objections.

The nature of the action and the terms of the settlement are as follows:

Nature of the Action:

On February 24, 2009, the Trustee commenced adversary proceeding number 09-1308 against Richard Grabowsky, N.K. Gray Development, LLC and Dick Grabowsky, LLC (collectively, the "Defendants") seeking damages relating to the Defendants' management of or transactions with Rascals Montclair, Inc. The Defendants raised various factual and legal defenses to the Trustee's causes of action.

Terms of the Settlement:

The Defendants will pay \$20,000.00 upon their execution of the parties' Stipulation of Settlement, which the Trustee has received, and will pay the remaining \$35,000.00 on or before the later of November 10, 2009 or thirty (30) days after approval of the proposed settlement; (b) the Defendants will execute a consent judgment for \$55,000.00 to secure their performance under the settlement, which the Trustee has received; and (c) the Defendants will withdraw all proofs of claim filed against the Debtor's bankruptcy estate, waive and release all claims that they might hold against the Debtor's estate or the Trustee, and waive their rights, if any, to receive a distribution or dividend from this bankruptcy estate. In consideration, the Trustee waives and releases all claims against the Defendants asserted, or that otherwise could have been asserted, in this adversary proceeding.

Requests for information about the nature of the action or the terms of the settlement should be directed to the Trustee at:

Catherine E. Youngman
Feitlin, Youngman, Karas & Youngman
9-10 Saddle River Road
Fair Lawn, NJ 07410
(201) 791-4400

or the trustee's attorney (if applicable) at:

Charles Forman
Forman Holt Eliades & Ravin LLC
80 Route 4 East
Suite 290
Paramus, NJ 07652
201-845-1000

Dated: September 28, 2009
JJW:

James J. Waldron
Clerk